

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

) MUR 5270

American Federation of State, County, and)
Municipal Employees – Public Employees)
Organized to Promote Legislative Equality)
and William Lucy, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the American Federation of State, County, and Municipal Employees – Public Employees Organized to Promote Legislative Equality ("AFSCME PEOPLE") and William Lucy, as treasurer ("Respondents"), violated 2 U.S.C. §§ 434(b)(1) and 434(b)(4)(H).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The American Federation of State, County, and Municipal Employees – Public Employees Organized to Promote Legislative Equality, ("AFSCME PEOPLE") is the separate segregated fund for the American Federation of State, County, and Municipal Employees.

2. AFSCME PEOPLE elected to file its reports of receipts and disbursements on a monthly basis. See 2 U.S.C. § 434(a)(4).

2350-904-40-2

3. William Lucy is the treasurer of AFSCME PEOPLE. *See* 2 U.S.C. § 432(a).

4. Treasurers of political committees are required to file reports of receipts and disbursements and shall disclose the cash-on-hand at the beginning of the reporting period. *See* 2 U.S.C. §§ 434(a) and 434(b)(1).

5. Unauthorized committees are required to report any and all disbursements for the reporting period and calendar year. *See* 2 U.S.C. § 434(b)(6)(A).

6. Itemization requires providing the full name and address of each such person or entity together with the date and amount of any such disbursement. 11 C.F.R. § 104.3(b)(4)(i).

7. The purpose of such disbursements must also be provided. 11 C.F.R. § 104.3(b)(4)(i).

8. During 1995 the Respondents failed to report \$574,278 in disbursements in the form of transfers from its federal account to one or more non-federal accounts.

9. During 1996 the Respondents failed to report \$1,803,490 in disbursements in the form of transfers from its federal account to one or more non-federal accounts.

10. During 1997 the Respondents failed to report \$1,755,383 in disbursements in the form of transfers from its federal account to one or more non-federal accounts.

11. During 1998 the Respondents failed to report \$2,830,257 in disbursements in the form of transfers from its federal account to one or more non-federal accounts.

12. During 1999 the Respondents failed to report \$2,154,160 in disbursements in the form of transfers from its federal account to one or more non-federal accounts.

13. During 2000 the Respondents failed to report \$975,000 in disbursements in the form of transfers from its federal account to one or more non-federal accounts through September of that year.

14. The failure to report the disbursements described in Paragraphs 8–13 caused the Respondents to make corresponding overstatements of their beginning and ending cash-on-hand balances in disclosure reports filed between 1995 and 2000.

22-04-406-0533

15. In October, 2000, the Respondents voluntarily notified the Federal Election Commission of its reporting errors and expressed its desire to file amended reports reflecting correct figures. The Respondents sent two representatives to an FEC training conference on reporting shortly after discovering the misreporting issue.

16. On March 28, 2001, the Respondents filed comprehensive amendments to its 1995-2000 disclosure reports accurately reflecting the disbursements from its federal account to one or more non-federal accounts and the corresponding cash-on-hand figures for those reporting periods.

V. The Respondents violated 2 U.S.C. §§ 434(b)(1) and 434(b)(4)(H) by failing to fully disclose disbursements on its disclosure reports, and by failing to accurately report corresponding cash-on-hand in its disclosure reports from January 1995 through September 2000.

VI. The Respondents will pay a civil penalty to the Federal Election Commission in the amount of sixty thousand dollars (\$60,000), pursuant to 2 U.S.C. § 437g(a)(5)(A). The Respondents agree to cease and desist from violating 2 U.S.C. § 434; and agree to properly disclose all future transfers from its federal to its non-federal accounts.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed it and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in section VI of this agreement.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made


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by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Lawrence H. Norton
General Counsel

BY:


Rhonda J. Vosdinger
Associate General Counsel
For Enforcement

10/7/02
Date

FOR THE RESPONDENTS:


Larry P. Weinberg, Esq.
General Counsel
AFSCME
Counsel for Respondents

9/13/02
Date

22-04-406-0535